

Office of the City Auditor City of San Diego

Fraud Hotline Update FY2012 Quarter 1 (July 2011 – September 2011)

Audit Committee, December 5, 2011



Fraud Hotline Complaints Received

Quarter 1 FY 2012 Summary

Office of City Auditor Investigations	Qtr 1
Conflicts of Interest	2
Referred to City Departments for Resolution	
Customer Relations	2
Policy Issues	1
Fraudulent Insurance Claims	1
Waste and Abuse	2
Total Complaints In Purview of Fraud Hotline	8
Non-City Complaints or Complaints Not in Purview of Fraud Hotline	
Referred to Proper Authority	7
Total Complaints Received in 1st Quarter of FY2012	15

Source of Hotline Complaints

FY	Anonymous		Identified		Total
2009	69	49%	71	51%	140
2010	28	46%	33	54%	61
2011	35	46%	41	54%	76
2012	6	40%	9	60%	15

Hotline Activity, July 2011 – September 2011 and Open Complaints from Previous Qtr

- As reported, 15 complaints were filed with the Hotline between July 2011 and September 2011, and Seven (7) of these were non-City complaints or were not in the purview of the Fraud Hotline program, leaving eight (8) new City-operations related complaints to be investigated.
- In addition, at the end of the previous quarter, nine (9) complaints remained open and unresolved for a total of 17 City-related open complaints that were active in the first quarter.
- The following table shows the status of these 17 complaints.

Hotline Activity, July 2011 – September 2011 and Open Complaints from Previous Qtr

Complaint Status	City Auditor Investigations	Referred to Dept	Total	Percent
Complaints Unresolved 7/1/2011	6	3	9	
Complaints Received in 1 st Qtr	2	6	8	
Subtotal	8	9	17	
Complaints Closed	-2	-5	-7	100%
Substantiated and Corrective Action Taken	0	2	2	28.6%
Unsubstantiated and Preventative Action Taken	0	1	1	14.3%
Unsubstantiated	2	2	4	57.1%
Complaints Unresolved 9/30/2011	6	4	10	

Summary of Complaints Substantiated and Findings that Serve the Interests of the Public

Incident Type	General Description of Complaint	Outcome / Status
Customer Relations 115439039	Allegation that there was a mattress dumped in a handicap space on a City Street	The Department dispatched the special pick-up unit to remove the article from the City street. Substantiated and Corrective Action Taken
Waste and Abuse 115586582	Allegation that the instructions on a City tax form were confusing	The Department revised the language in the instructions to more clearly describe tax rate computations per existing San Diego Municipal Code sections. Substantiated and Corrective Action Taken
Malfeasance 114877977	Allegation that an employee was speeding in a City vehicle	The Department's investigation found the allegation unsubstantiated, but the employee was counseled to obey all traffic laws. Unsubstantiated and Preventative Action Taken

Substantiated/ Serve the Interests of the Public

- CA Government Code §53087.6(e)(2) states (2) Any investigative audit conducted pursuant to this subdivision shall be kept confidential, except to issue any report of an investigation that has been substantiated, or to release any findings resulting from a completed investigation that are deemed necessary to serve the interests of the public.
- The City Auditor issues public reports on substantiated complaints of fraud, waste, and abuse.
- The City Auditor includes in its Quarterly Report of Fraud Hotline Activities
 - ♦ Reports on substantiated complaints of fraud, waste, and abuse and
 - ♦ Complaints in which a Department takes administrative action that may be preventative or proactive even if the allegation lodged in the complaint cannot be or is not , in fact, substantiated.
- All complaints, whether investigated by the City Auditor or investigated by the Department remains under the aegis of the Fraud Hotline.

Conclusion

Fraud Hotline (866) 809-3500